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# Corporate Social Responsibility

Dealing with customers in a social responsible way

Dr. Jenny van Doorn  
 Prof. dr. P.C. Verhoef

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# Summary

Conclusions and recommendations





# Companies spend remarkably much attention to corporate social responsibility

“The world has reached a **tipping point**. We’re beyond the debates over whether (sustainability) is something that needs to be done or not. It’s now mostly about how we do it. It is not about altruism, it’s about **creating value**.”

Steve Fludder  
Vice President General Electric

“The world is in **transition**: there is a paradigm shift directed in the new sustainable world order. **Marketing** does not only needs to change, but can **stimulate** this.”

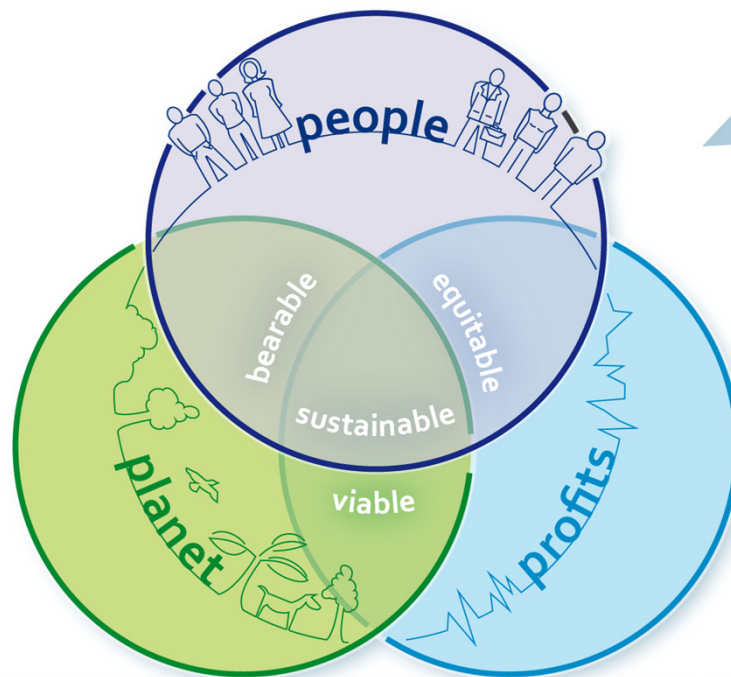
Herman Wijffels  
Center for Human Emergence

“I sincerely believe that businesses like Unilever can be a positive force for good in the world and that such an approach is **in the interests of all our stakeholders** – our investors, our consumers and customers, our employees and the communities where we operate.”

Paul Polman  
CEO Unilever



# The socially responsible strategy is also referred to as sustainability/PPP/CSR

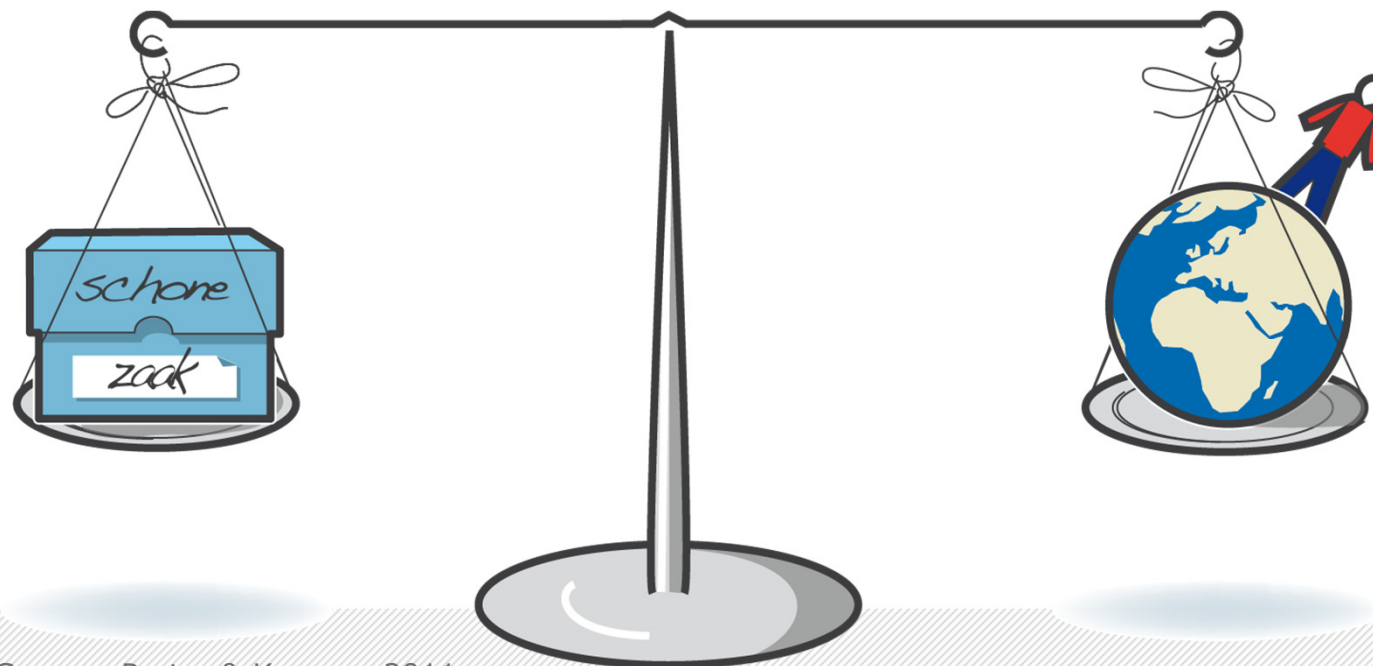


With Corporate Social Responsibility a company takes the responsibility for the effects of its activities on people and the environment. The company makes conscious choices to balance **People, Planet and Profit** and focuses on sustainability with this combination.

Corporate Social Responsibility (CSR)= a firm's commitment to ensure societal and stakeholder wellbeing through discretionary business practices and contributions of corporate resources.



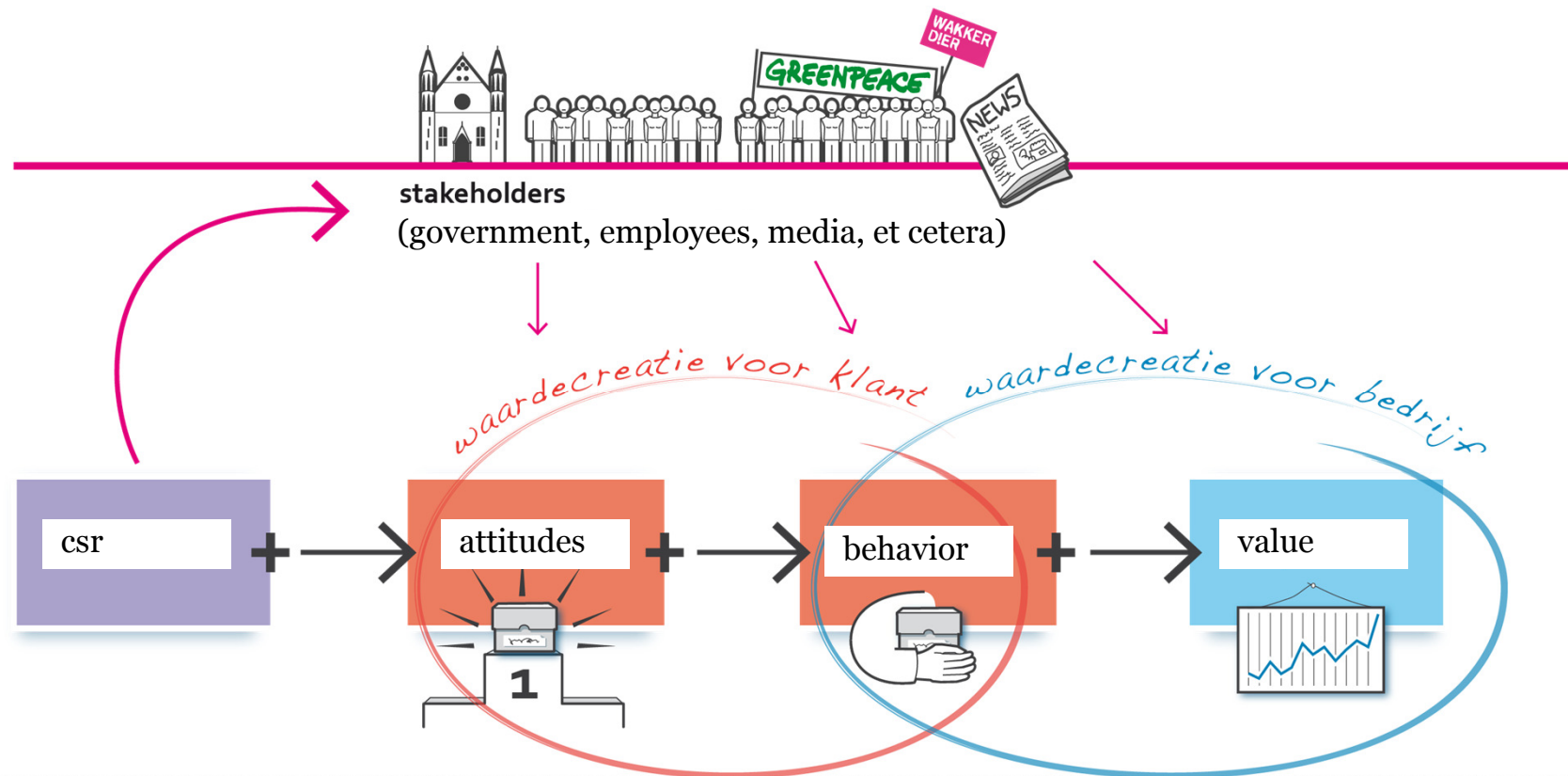
Social responsible value creation is seen as **the** new management trend by, among others, prof. dr. Michael Porter



Source: Porter & Kramer, 2011

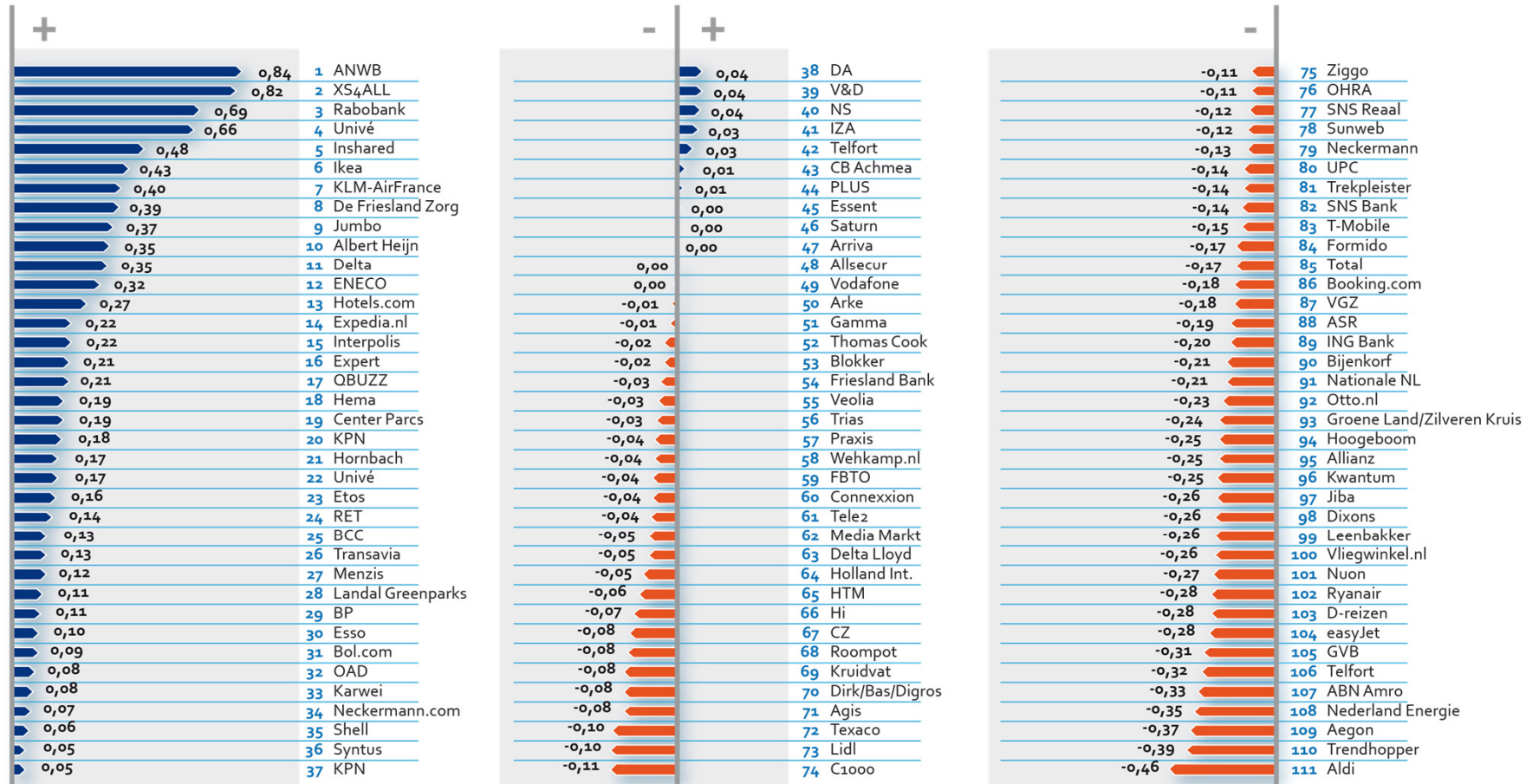


# Social responsible value creation is influenced by stakeholders





# ANWB realizes the highest CSR-perception score







## Five key conclusions for managers that consider (more) social responsibility

1. Social responsible initiatives have demonstrated positive effects on **customer loyalty, customer satisfaction, brand value** and **shareholder value**.
2. While a large majority of customers indicated to buy sustainably, the market share of sustainable products is still **very small**.
3. Especially **women, the elderly, small households, recent and unsatisfied customers** are more sensitive for choosing the 'good company'.
4. Especially unknown brands and pleasure products have success with social responsibility campaigns.
5. By contrast, **market leaders** and **luxury brands** are less successful with this.



## Five recommendations for managers who want (more) social responsible results

1. Avoid socially irresponsible or untrustworthy behavior, because this is precisely what gets **punished** by many stakeholders (journalists, governments, customers, etc.)
2. Work in case of **tough** competition on a **soft** socially responsible image, especially because this strategy is decisive in this environment.
3. Invariably build a **logic and credible link** between the brand/product and socially responsible action.
4. Be aware of lower quality or higher prices for socially responsible products. Many customers experience this as a **barrier** to buy them.
5. Do not expect immediate effects of socially responsible actions, these probably will occur indirect and/or on the **long term**.



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# CSR-effects on customers

Customer do not say what they actually do

